Comments to the Government-Industry Advisory Panel established pursuant to Section 813(b)(1) of the National Defense Authorization Act of Fiscal year 2016

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Lieutenant Colonel Andrew Lunoff
Designated Federal Officer
Government-Industry Advisory Panel
Pentagon Room 3E172
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Washington, DC 20301-3090

Dear Lieutenant Colonel Lunoff and Distinguished Panel Members:

Please accept these comments to the Government-Industry Advisory Panel established pursuant to Section 813(b)(1) of the National Defense Authorization Act of Fiscal Year 2016 addressing the matter of availability to the Department of Defense of operations, maintenance, installation, and training technical data and detailed manufacturing and process data.

Contents

Who is MARPA?

The Modification and Replacement Parts Association was founded to support FAA Parts Manufacturer Approval ("PMA") manufacturers and their customers. Aircraft parts are a vital sector of the aerospace and defense industry, and MARPA acts to represent the interests of the manufacturers of this vital resource before the FAA and other government agencies.

MARPA is a Washington, D.C.-based, non-profit association that supports its members' business efforts by promoting excellence in production standards for PMA parts. The Association represents its members before aviation policy makers, giving them a voice in Washington D.C. to prevent unnecessary or unfair

regulatory burden while at the same time working with aviation authorities to help improve the aviation industry's already-impressive safety record.

An FAA-PMA is an FAA design and production approval for aircraft parts. It is only issued after the FAA has (1) reviewed the design of the part to assure that it is safe and meets the requirements of the FAA regulations and (2) reviewed the production quality system to make sure that there is a system in place to verify that each part that is manufactured meets the FAA-approved design. The manufacturers of FAA-PMA parts also rely on their aerospace design and manufacturing expertise to produce parts for military applications (as well as providing parts for use on military derivatives of civilian aircraft).

MARPA represents a diverse group of manufacturing interests – from the smallest companies to the largest - all dedicated to excellence in producing aircraft parts.

MARPA members are committed to supporting the commercial and defense aerospace industries with safe components, parts, and articles for all type-certificated products and military applications. MARPA members manufacture and sell parts that provide equal or better levels of reliability when compared to their original equipment manufacturer competitors.

MARPA supports efforts to produce guidance that increases safety and reliability and at the same time reduces material and maintenance costs, while working to ensure guidance is not unduly burdensome or counterproductive.

Comments

General

MARPA appreciates the opportunity to provide comments to this Panel. Although our comments are generally focused on aerospace, they can be generally applied in many cases to broader procurement issues, whether for weapons systems, office equipment, IT, or other procurement matters with high up-front development costs and high or difficult-to-determine long-term sustainment costs.

The Government must have full rights to seek spare parts and services from third-party providers that are unrelated to the OEM in order to foster competition.

Issue

Current requests for proposals often require a bidder to have OEM data or have licensed the OEM's data. This requirement severely limits the government's ability to seek competitive bids and foster competition.

Analysis

Maintenance costs, particularly materials costs (i.e., spare and replacement parts), constitute a significant expense over the life of any piece of capital equipment. This is particularly true of maintenance-intensive articles like aircraft and other weapon systems. In order to help control these costs, it is important to foster competition in the spare parts market.

The current practice in responding to requests for proposals often requires that a party seeking to provide parts or services for the maintenance of a military aircraft have access to the OEM's technical data. This data typically must be obtained from the OEM via a licensing agreement. Unsurprisingly, OEMs are typically loathe to provide that data to a potential competitor. The practical effect of requiring access to the OEM's data is therefore to restrict the pool of bidders for any RFP to the OEM itself, and anyone it has licensed the data to, which is generally limited to a small pool of partners and/or subsidiaries. The net effect is to reduce competition for a project to the OEM and its network. This inevitably leads to higher prices for the government to maintain its weapon systems, because there is no independent third party competitor who has access to the OEM data.

In many cases, particularly in the case of replacement parts, access to OEM data is not necessary to design and produce parts that meet or exceed the performance and tolerances of OEM parts. In the commercial aviation market, third party manufacturers known as Part Manufacturer Approval (PMA) part manufacturers compete vigorously with OEMs to provide spare and replacement parts to commercial aircraft operators. These manufacturers develop a significant number of replacement parts by reverse engineering samples of OEM parts obtained from various sources. The PMA manufacturers are then able to offer replacement parts to the market at substantially reduced prices. PMA parts are FAA-approved parts and are required by FAA regulations to be designed and produced to the same standards as OEM parts. PMA parts have an excellent safety record and are accepted by every country with whom the United States maintains a civil aviation bilateral agreement and are widely used by commercial aircraft operators around the world.

PMA parts provide an excellent solution to control costs for military aircraft that are based on civilian platforms. However, because PMA manufacturers have an excellent track record of reverse engineering parts, those manufacturers can also benefit the U.S. government by reverse engineering parts for military applications as well.

In order to take advantage of the engineering expertise and cost savings associated PMA parts (and independently reverse engineered parts for military aircraft), the government must have the right to seek out bidders that are independent of the OEMs. Therefore, it is crucial that the government not require a bidder to have access to OEM data, or otherwise be license or authorized by the OEM. Such limitations reduce competition and deny the government the opportunity to foster competition in the spare parts market that could significantly reduce the maintenance spend over the life of the weapon system.

Recommendation

The Panel should recommend a policy that RFPs shall not include a requirement that bidders have access to OEM technical data in the case of replacement parts. This eliminates one point of confusion over what data is "allowed" to be shared by the government because reverse-engineered parts do not rely upon the OEM's data for their development. It also fosters competition by providing an alternate source or sources of replacement parts for weapons systems thus helping to drive down procurement costs over the life cycle of the system.

The Panel should ensure that the government has access to all Maintenance Manuals and other data necessary to perform all maintenance on a particular weapon system.

Issue

Maintenance Manuals that do not contain all necessary information to perform maintenance, or that contain instructions to remove and replace articles or return articles to the OEM or its authorized agents for repair jeopardize the ability of the government to maintain operation readiness and eliminate the ability of the government to seek competitive maintenance providers or perform maintenance itself.

Analysis

Maintenance Manuals that do not contain all information necessary to perform maintenance on a weapon system are maintenance manuals in name only. However, it has become recent practice for some OEMs (at least in the aviation industry) to provide Maintenance Manuals that are required by regulation, but to do so without including the detailed data necessary to perform that maintenance. Instead, the manual contains the instruction to "remove and replace" the article (with a new part, provided by the OEM, foreclosing competition in the spare parts market) or the instruction to return the article to an authorized maintenance provider (thus foreclosing competition for maintenance). Often, too, a complete maintenance manual cannot be developed until after the system has been completed and delivered. The FAA's regulations prove to be a useful guide in this case.

14 C.F.R. § 21.50(b) explains the requirements for the availability of Instructions for Continued Airworthiness (analogous, for our purposes, to OMIT data). The regulation requires that a design approval holder (analogous to an OEM) "must furnish at least one set of complete Instruction for Continued Airworthiness to the owner of each type aircraft, engine, or propeller."[1]

The regulation further requires of a design approval holder that any "changes to the Instructions for Continued Airworthiness shall be made available to any person required" to comply with the instructions.[2]

Requiring instructions to be furnished or made available is a valuable practice in itself. But section 21.50(b) goes further. It provides detailed information as to what must be included in the instruction by referencing the applicable regulatory section that governs particular types of aircraft, engines, and propellers.[3] These requirements allow the FAA to establish the minimum data that is required in order to satisfy the Instruction for Airworthiness Requirements.

Such a method could be applicable here. The Panel should recommend the government mandate that all Maintenance Manuals for weapon systems include all necessary information to perform maintenance on that system, and that such manuals, including all updates and revisions, are required to be made available to the owner (in this case the U.S. government) of the system.

[1] 14 C.F.R. § 21.50(b).
[2] Id.
[3] Id. See, e.g., 14 C.F.R. § 35.4; 14 C.F.R. part 35, App'x A.

Recommendation

The Panel should recommend a requirement that all Maintenance Manuals for weapon systems contain all necessary information for the maintenance of the entire system and that failure to include any necessary data will be deemed a breach of contract. Instructions to remove and replace an article or component, or to return the component to the OEM or its authorized agents for repair shall be deemed insufficient for the purposes of a Maintenance Manual. Each update to the manual must also be provided to the government.

The Panel should ensure that the Government has the right to share Maintenance Manuals with its maintenance provider of choice.

Issue

OEMs that provide Maintenance Manuals often do so via license agreements that include highly restrictive terms that prevent the owner of an aircraft from sharing the Maintenance Manual of their choice.

Analysis

Maintenance manuals that are provided to the government, but are done so with clauses preventing the manuals from being shared with third party maintenance providers or manufacturers, effectively foreclose any competition in the maintenance market and restrict the government to relying on the OEM and its authorized agents for maintenance needs. This is effectively the same as not having received the manuals at all, and effectively grants the OEM a monopoly over maintenance. Once again, the FAA's 14 C.F.R. 21.50(b) is instructive.

Section 21.50(b) includes a requirement that the instructions be provided to anyone required to comply with them. Under the FAA's regulations, this includes third-party repair facilities that operators have selected for maintenance. The regulation states "the holder of a design approval must make those instructions available to any other person required by this chapter to comply with any of the terms of those instructions."[4]

The FAA goes further in emphasizing the importance of ensuring instructions are provided to whoever is required to comply with them. FAA Policy Statement PS-AIR-21.50-01 explains that "[i]t is not appropriate for a DAH to place limitations on the use of its ICA between the owner/operator and the maintenance provider."[5] The statement goes on to say that a

> DAH may not inhibit an owner/operator from distributing ICA to current or potential future maintenance providers. . . . [I]t is not acceptable for a DAH to limit the distribution of ICA through restrictive access or use agreements, or by adding restrictive language that would control the use of ICA by an owner/operator with respect to the maintenance of its product.[6]

[4] 14 C.F.R. 21.50(b).
[5] FAA Policy Statement PS-AIR-21.50-01: Type Design Approval Holder Inappropriate Restrictions on the Use and Availability of Instructions for Continued Airworthiness at 2.
[6] Id. at 3.

> The policy then states that "the FAA will not accept restrictive statements or terms in ICA documents, or restrictive access or use agreements that limit the appropriate availability or use of the ICA where the FAA has determined the ICA are acceptable for maintaining a DAH's product with FAA-approved replacement parts, articles, or materials installed (e.g., Parts Manufacturer Approval (PMA) items).[7]

The policy statement concludes by illustrating a non-exhaustive list of unacceptable practices restricting the use and availability of the maintenance instructions:

> 1) Requiring the owner/operator to only install DAH-produced or authorized replacement parts, articles, appliances, or materials.
> 2) Requiring that alterations or repairs must be provided or otherwise authorized by the DAH.
> 3) Requiring the use of only maintenance providers or other persons authorized by the DAH to implement the ICA.
> 4) Establishing, or attempting to establish, any restriction on the owner/operator to disclose or provide the ICA to persons authorized by the FAA to implement the ICA.[8]

This policy demonstrates that the OEM that controls the maintenance data is not permitted to restrict use of that data, or the parts that are used for repairs made relying upon that data.

A similar policy would be very useful to the government in ensuring the government is able to seek competitive bids from third party maintenance providers and replacement part providers because it is able to provide the necessary maintenance data directly to the chosen bidder. This eliminates the need for direct access to the OEM data via a license agreement that a third party is unlikely to be granted.

Recommendation

The Panel should recommend a policy similar to that of 14 C.F.R. § 21.50(b) and FAA PS-AIR-21.50-01 and state that any restrictive language that prevents the government from sharing Maintenance Manuals with the maintenance provider of the government's choice is inappropriate and invalid. The Panel should emphasize that the contract officers are not permitted to agree to license conditions that restrict the government's ability to seek third party parts suppliers and maintenance providers.

OEM efforts to monopolize through data-rights restrictions would likely be deemed an antitrust violation in the private sector. Eastman Kodak, though non-binding here, is instructive.

Issue

Several OEM's, as bidders on (and recipients of) contracts for weapons systems, have claimed that they must retain and restrict rights to technical data, both OMIT and DMPD, in order to recoup their investment in the replacement part and service markets. In the private sector, such a position would likely be deemed an antitrust violation under Eastman Kodak.

[7] Id.
[8] Id.

Analysis

As a threshold matter, it should be noted that a traditional antitrust analysis would not apply in this case because the Noerr-Pennington doctrine explains that private parties are immune from antitrust liability for attempting to influence the passage of laws, even if those laws would have an anticompetitive effect.[9] This arises from the protections afforded by the First Amendment, which allows protects political speech and the right to petition the government.[10] Nonetheless, the Supreme Court's antitrust analysis in Eastman Kodak Co. v. Image Technical Services[11] offers valuable insight into the economic harm of allowing an OEM to use the power of its position derived from having sold the original piece of equipment to attempt to monopolize a separate market--namely, the parts and services market, or to tie the sale of services to the purchase of replacement parts only sold by the OEM.

Although Eastman Kodak dealt with photocopiers and the parts and services related thereto, the facts of the case are highly analogous to the sale of weapons systems and the subsequent sale of parts and services for a particular system.

In Eastman Kodak, Kodak manufactured and sold photocopiers in a competitive market. Several Independent Service Organizations ("ISOs") began servicing Kodak copiers. In response, Kodak made it a policy to sell repair parts only to direct purchasers of its equipment who either used Kodak's repair service or serviced the equipment themselves. Kodak also forbid its sub-tier suppliers from selling to anyone other than Kodak, pressured entities who owned Kodak equipment not to sell parts to ISOs, and took steps to restrict availability of used equipment. These practices forced many ISOs out of the market and resulted in many customers being forced to seek Kodak services at higher prices and against their preference. The Court analyzed whether Kodak was attempting to tie the sale of services to the sale of parts, as well as whether Kodak was attempting to monopolize the parts and service markets.

In assessing the tying claim, the Court found that the markets for parts and service were separate markets, as demonstrated by the fact that customers that serviced their own copiers could, and indeed did, purchase parts independently without also purchasing service, and that some service did not require any parts. The Court thus found a tying arrangement existed between the parts and service market when Kodak would only sell parts to those who also purchased its services.

The Court then determined that Kodak had sufficient market power in the parts market to compel a consumer to change to Kodak service even if the consumer preferred ISO service. Of particular note, the Court rejected Kodak's argument that because there was competition in the equipment market, there could be no market power in the parts and service markets. The Court explained that cost of changing equipment after purchase may be substantial (also known as "lock-in")[12] and that it is very difficult to accurately life-cycle price equipment at the time of purchase.[13] Significantly, the Court noted that

[9] See E. R. Presidents Conference v. Noerr Motor Freight, Inc. 365 U.S. 127, 135 (1961); United Mine Workers v. Pennington, 381 U.S. 657, 670 (1965).
[10] See, e.g., Cal. Motor Transp. Co. v. Trucking Unlimited, 404 U.S. 508, 510 (1972).
[11] 504 U.S. 541 (1992).
[12] Eastman Kodak, 504 U.S. at 476.
[13] Id. at 473-75.

> some consumers, such as the Federal Government, have purchasing systems that make it difficult to consider the complete cost of the "package" at the time of purchase. State and local governments often treat service as an operating expense and equipment as a capital expense, delegating each to a different department. These governmental entities do not lifecycle price, but rather choose the lowest price in each market.[14]

The ISOs in the case offered evidence that the "heavy initial outlay" for the equipment combined with unique support material made the switching costs very high.[15] The Court thus found that Kodak had market power in the secondary markets of parts and service, rendering the part-service tie a potentially illegal violation of section1 of the Sherman Act.

Next, the Court found that Kodak possessed monopoly power in the parts and service markets because it controlled nearly100% of the parts market and 85-90% of the service market with no readily available substitutes.[16] Kodak claimed that its exclusionary actions were necessary for three reasons: "(1) to promote interbrand equipment competition by allowing Kodak to stress the quality of its service; (2) to improve asset management by reducing Kodak's inventory costs; and (3) to prevent ISOs from free-riding on Kodak's capital investment in equipment, parts and service."[17] The Court rejected each of Kodak's arguments finding that Kodak may have attempted to violate section 2 of the Sherman Act.[18]

The parallels between Eastman Kodak and the current challenges faced by the Department of Defense are striking. Once a bid for a weapon system is finalized, and the weapon system developed and delivered, the government is very much locked in to that weapon system. It cannot simply go back out to the market place and purchase a comparable weapon system if the price of replacement parts and services becomes too high.

As in Eastman Kodak, competition only occurs during the initial procurement of the equipment. Once the equipment is procured, the OEM that controls all the technical data has a monopoly over the OMIT data and the replacement parts it may claim are subject to its "intellectual property" DMPD rights. Put another way, the OEM that delivered the weapon system has a monopoly over the service and replacement parts markets. The OEM is therefore able to charge monopolistic prices to the government, which, without the necessary data, is unable to seek out third-party parts and service providers.

The OEM that delivered the weapon system may claim that it has some inherent right to make a profit in the replacement parts and repair service markets, or that it is some way entitled to a certain share of the government's sustainment spend and that independent part manufacturers and service providers shouldn't be entitled to bid on those sustainment contracts (at least not without the OEM's tacit approval in licensing the data to the third party). But this justification for monopolizing the parts and services market was specifically rejected in Eastman Kodak. Kodak argued that "its policies prevent ISO's from

[14] Id. at 475.
[15] Id. at 477.
[16] Id. at 481.
[17] Id. at 483.
[18] Because this case was addressing motions for summary judgment the Court did not make an ultimate determination as to whether Kodak had actually violated sections 1 and 2 of the Sherman Act. The ISOs ultimately prevailed on remand. See Image Technical Servs. v. Eastman Kodak Co., 125 F.3d 1195 (9th Cir. 1997).

'exploiting the investment Kodak has made in product development, manufacturing and equipment sales in order to take away Kodak's service revenues.'"[19] The Court stated that "[t]his understanding of free-riding has no support in our case law. To the contrary . . . one of the evils proscribed by the antitrust laws is the creation of entry barriers to potential competitors by requiring them to enter two markets simultaneously."[20] In other words, an OEM's investment in the equipment (or parts) market does not entitle it to expect no competition in the service market, or for that matter, the spare parts market.

If it is truly the belief of the OEM that they cannot recoup their investment in the development of a weapon system without monopolizing the secondary markets, the solution should not be to grant them that monopoly at the expense of the taxpayer. Rather, it should be to require them to accurately price whatever profit motive or incentive is required into their initial bid to develop the weapon system, including providing all required OMIT and DMPD data to the government. This not only will present a more accurate assessment of the cost to develop the weapon, it will allow for better competition at the development stage and open up the spare parts and repair service markets to greater competition. This will result in greater cost savings and foster innovation, as well as opening up the secondary markets to SMEs who may not have the financial resources to develop a complete weapon system, but do have the ability and expertise to provide excellent service and innovation in the parts and repairs markets.

At the very least, the government must require that the OEM provide it with the OMIT data necessary to perform its own service and maintenance, as well as the right to provide spare parts to third party manufacturers who have the ability to reverse engineer those parts to provide an alternate source of parts.

The government in this case can be analogized to the Kodak customers who performed service themselves or would purchase parts and then hire ISOs to perform the service, which they found superior or more cost effective. It is clear that the original equipment, replacement parts, and repair services, are all separate markets, and they should be treated as such. Ideally, the government should have the right to DMPD data (specifically parts drawings) that they can provide to third party manufacturers to foster competition in the spare parts market, rather than relying solely on the OEM or its authorized dealers to provide spare parts. Specifically, in the aerospace field, FAA-PMA parts, or their functional equivalent (that is, parts manufactured by PMA manufacturers who have expertise in designing and manufacturing aircraft parts) can provide an excellent source of parts and result in more competitive pricing for replacement parts.

Ultimately, the government should not allow OEMs to monopolize the secondary parts and services markets simply because they won the initial bid by underpricing development costs with the expectation of recouping losses through a monopoly in the parts and services markets later. This victimizes the taxpayer by allowing OEMs to charge monopolistic prices for spare parts and repair services, and compromises mission readiness by handicapping the government's ability to service and maintain its weapon systems either itself or via third party competitors.

[19] Eastman Kodak, 504 U.S. at 485.
[20] Id.

Recommendation

The Department of Defense should follow the precedent (although non-binding here) established in Eastman Kodak and not permit the OEM source of any particular weapon system to use their position as the sole provider of that weapon system to monopolize the spare parts and service markets through what would be, in the private sector, violations of the Sherman Act. If OEM bidders are concerned that they are not able to recoup their investment in developing weapons systems or completing other contracts without monopolizing or tying separate markets like parts and services, the solution is to accurately reflect the development cost in their initial bid for the contract, rather than demanding or expecting a monopoly in the separate parts and services market. Such a *de facto* grant of monopoly excludes other bidders in those separate markets who may be able to provide better parts and services at more competitive prices, thus resulting in savings to the United States government and taxpayer.

MARPA Member Case Study

The following is a case study conducted by a prominent MARPA member with respect to the cost savings and benefits to users who ensure the right to use alternately sourced parts and services.

Background: The "Implementation Directive for Better Buying Power—Achieving Dominant Capabilities through Technical Excellence and Innovation Initiative" memorandum issued by Dr. Frank Kendall discusses the "Mandate affordability as a requirement." In complying with this mandate and pursuing the Air Force Material Cost Reduction Goals, new and innovative strategies must be considered that address cost reduction on all weapons systems and parts (including sole source parts from both commercial derivatives and military weapons systems).

FAA-PMA parts are reverse engineered OEM parts[21] that are approved by the FAA in accordance with strict regulations and guidelines to be equivalent or superior to the original type design OEM parts. FAA-PMA parts are sold by independent manufacturers offering dramatic savings and competition on otherwise sole-sourced purchases. Airlines have saved money with FAA-PMA parts for over 50 years with no reduction in safety or performance. Additionally, the FAA conducted a two-year long study into the safety of PMA parts and the robustness of the PMA certification process to ensure continued operational safety. This report is known as the "Aviation Safety, (AVS) Repair, Alteration and Fabrication (RAF) Study." Released in final version May 9, 2009, the RAF Study concluded that PMA parts are safe and equivalent to OEM parts. In addition, FAA-PMA parts offer an average of 40% savings in comparison to their OEM counterparts as well as improved delivery time in many cases.

Source Approval Regulations allow for the evaluation and approval of alternate sources. The Government is already saving money with FAA-PMA parts. Currently, there exist challenges with the qualification process and timeframe. In addition, many services are still reluctant to conduct such evaluations due to the lack of OEM technical data rights for the weapon systems they own.

If DMPD (Detailed Manufacturing and Process Data) are not provided by the OEMs, the government must, at a minimum, obtain unrestricted rights to Form, Fit and Function Data "sufficient to enable

[21] FAA-PMA parts can also be approved under a licensing agreement with the OEM, but this method of approval is beyond the scope of this discussion.

physical and functional interchangeability." Therefore, all services can use this data along with existing source approval regulations to approve a greater number of alternate sources, particularly for high priced, high demand, sole source spare parts, where the OEMs have no incentive to reduce pricing or improve production lead-times.

Defense Industry - Parts Cost Savings (A MARPA member provided the following actual data)
Savings from non-OEM Parts that have been approved to date and sold to the US Government (USG)
Since 2008, the United States Air Force has saved:

- Over $21 million on the purchase of $30 million of replacement Parts (41% savings from the OEM price)
- The USAF currently saves over $5M annually by using FAA and DoD(SAR) Approved replacement Parts (on approximately 85 parts)
- This MARPA member expects to save the government at least another $25M over the next 5 years. However, please note this savings number could be significantly higher.

Estimated Savings from currently available replacement Parts that were not approved (for non-Technical Reasons)

Case Study: Since 2013*, the United States Air Force could have saved on a limited number of replacement parts (18 parts):

- Over $17 million on the purchase of $43.8 million of OEM Parts (38.8% savings)
- The USAF can save an additional $6 million annually by using this group of parts and save the government at least $30 million over the next 5 years.

*Many new replacement parts with dual use CFM56-2/ F-108 engine were developed in 2012 as an effort to gain Source Approval and provide the Government with substantial savings

Commercial Industry (as a Case Study) - Parts Cost Savings from a MARPA member
Since 1972, airlines worldwide have saved on the purchase of FAA replacement parts:

- Over $1.5 billion on the purchase of $2.5 billion in replacement parts
- Many airlines saved over $10 million annually
- Over 50 customers saved over $1 million annually
- This MARPA member expects to save airlines at least another $1 billion over the next 5 years

Recommendation:
To achieve significant cost reduction and enhance the Government's leverage in price negotiations with industry, the Government should obtain complete data packages with unlimited data rights in all weapon system acquisitions. Large OEMs have little incentive to reduce their prices in the absence of competition regardless of whether their contracts are performance based. Only enhanced competition will moderate pricing and provide the Government with a range of safe replacement part alternatives. It is important to

note that FAA approved replacement parts certified through "test and computation/reverse engineering" require no OEM proprietary data and are developed entirely by proven independent methods and procedures. The objective of the Government should be to create enhanced competition to drive down operating costs.

Conclusion

MARPA looks forward to working with the panel on clarifying rights and availability with respect to technical data in order to better ensure operational readiness and to control costs to the United States. Please do not hesitate to contact us with detailed questions.

Respectfully Submitted,

Ryan Aggergaard
VP of Government and Industry Affairs
Modification and Replacement Parts Association